

# COMBATING CATASTROPHIC TERROR

A Security Strategy  
for the Nation

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October 2005

# EXECUTIVE SUMMARY

## COMBATING CATASTROPHIC TERROR

### A SECURITY STRATEGY FOR THE NATION

The United States needs a comprehensive long-term strategy to fight the greatest threat to the American people: violent extremists who, often in the name of Islam, seek to use catastrophic terror to achieve their goals. Is America ready for this threat? Specifically, do we have the right policies and structures in place to fight terrorism and to secure the homeland? Are we on the right track or the wrong track when it comes to this key national security challenge?

Members of the U.S. Congress asked leading experts and current and former top-ranking officials to look at those questions months ago – before Hurricanes Katrina and Rita, in the midst of the debacle in Iraq. The conclusions are clear – we do not have an effective counterterrorism strategy that will protect us, and we are not adequately prepared to respond to threats that may emanate from violent extremist groups.

Americans must, of course, contend with other challenges, including those posed by rising powers; the spread of infectious disease; environmental degradation and economic dislocations. But only al Qaeda and like-minded groups seek to kill our citizens in great numbers, undermine public confidence in our institutions, disrupt our economy and reshape the international order. Armed with nuclear weapons, the threat they pose could be literally existential.

Increasingly, Americans are asking whether we have a strategy that recognizes the unique nature of this terrorist threat. Their doubts have been fueled by the failure to capture Osama bin Laden; a surge in terror attacks around the world, including in Madrid and London; a mismanaged war in Iraq that threatens to turn that country into a haven for terrorists; deeply-entrenched anti-Americanism in the Islamic world and beyond; and the failed response to Hurricane Katrina, which has caused many Americans to question whether we are prepared to handle a man-made catastrophic event at home.

In response to requests from congressional leaders, a group of senior foreign policy experts came together over several months to develop a strategic roadmap to meet the challenge posed by catastrophic terror. The resulting paper offers members of Congress and officials at the local, state and national levels a clear understanding of the threat and the stakes – and specific recommendations for a new counterterrorism strategy.

The goal of the strategy is straightforward: to ensure the safety of the American people by defeating the forces of bin Laden and the militant extremists. It sets out a comprehensive, long-term approach that draws on the totality of America's strength in three areas: (i) tactical counterterrorism; (ii) strategic counterterrorism; and (iii) homeland security. We have to defeat the terrorists abroad, defend ourselves here at home and, over the longer term, shape the international environment in favor of freedom, security and prosperity.

Tactical counterterrorism aims to identify, disrupt and destroy extremist networks. Military might is essential but it is not sufficient. Acting alone is sometimes necessary, but ordinarily less effective than collaborative measures. Terrorists find sanctuary, support and successors in many countries and cross borders with impunity. The report recommends that we strengthen efforts to safeguard fissile materials around the world; forge new alliances of intelligence, law enforcement and financial officials; bolster our own capabilities and those of our partners; strengthen international institutions; and adapt our military to secure dangerous weapons and defeat terrorists.

Strategic counterterrorism is the long-term part of this effort. It recognizes that most people in the Muslim world do not share the goals of al Qaeda and view terrorism as un-Islamic. It aims to counter the underlying conditions that feed radicalism and separate the extremists from the rest of the population. We cannot kill or capture all those who would do us harm. So, even as we shut the door to terror, we must open minds to a more balanced view of the United States, offering hope where our enemies offer only hatred. The report recommends that we encourage political, economic and educational reform in the Muslim world; build the capacity of weak and failing states; engage in efforts to end regional conflicts; reassert our commitment to achieve a secure and lasting peace between Israelis and Palestinians; and revive America's traditional alliances.

Homeland security aims to protect America's citizens, key infrastructure, industries and vital resources from attack. The federal government owes the American people a truly integrated program; their protection is the government's core responsibility. The report recommends that we strengthen domestic prevention and preparedness; fully train and equip first responders to manage the consequences of an attack; bolster our public health infrastructure; and build effective partnerships between the public and private sectors and between federal, state and local authorities.

This three-part strategy represents a comprehensive, integrated approach to the greatest threat Americans face. It recognizes that to prevail, America must act with strength and wisdom. If we combine the force of our arms with the power of our ideas and ideals, we will defeat the extremist challenge to America's security and seize the great opportunities for progress that lie ahead.

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# NATIONAL SECURITY DIRECTIVE

## Combating Catastrophic Terror: A Security Strategy for the Nation

### I. PREAMBLE: THE ENEMY AND ITS GOALS.

**A. The Contemporary Terrorist Threat:** The United States is living on borrowed time. Al Qaeda and its allies continue to win new converts and inspire others to act independently. Unless we think and act as effectively as we did after Pearl Harbor, we face the prospect of an even more catastrophic attack on U.S. soil before the decade is out. Vigilance must supplant complacency and realism must replace wishful thinking if our people and territory are to be safe.

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We must begin by recognizing that the foremost challenge to U.S. national security today comes from violent extremists<sup>1</sup> who, often in the name of Islam, seek to use catastrophic terror to achieve their goals. While we face many challenges and a number of hostile actors in the world, only these terrorists seek to kill our citizens in great numbers, disrupt our economy and cause a far-reaching reconfiguration of the international order.

We must have a strategy that recognizes the unique nature of this threat and is designed to achieve victory. At the moment, we are demonstrating neither a clear understanding of the threat nor a viable strategy for responding to it.

The extremists we face do not threaten us in the same way that Germany and Japan did in World War II or the Soviet Union did during the Cold War. But Al Qaeda and its core adherents seek to achieve a vast reordering of international politics and the creation of Taliban-like regimes in the Muslim world. They will not accomplish these aims. But they are deeply determined and prepared to use catastrophic terror, including with the use of nuclear weapons and other instruments of mass murder, to advance their cause. Their growing appeal and successes in recruitment of young Muslims therefore poses a grave threat to our interests. Our goal and strategy must be to isolate and defeat these terrorists and help foster conditions in the Muslim world that lead to the containment and ultimate destruction of their movement.

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<sup>1</sup> We use the terms “violent extremists” or “militant extremists” in this document in reference to the movement whose ideological center has been comprised of Osama bin Laden, Ayman al- Zawahiri, Al Qaeda, and its allies, but extending to those groups which bin Laden and Al Qaeda have inspired but which arise and act independently. These groups or members of this movement use catastrophic terror as a tactic to kill large numbers of innocent civilians to achieve their goals. While these groups have often operated in the name of Islam, they are only a small movement in the Muslim world.

But we cannot prevail with conventional military power alone. Unlike our other enemies, terrorists are frequently undeterrable. They are not a government that responds to military action. They hold no territory that can be put at risk. Moreover, our invasion of Iraq, however well intentioned, has fueled hatred among many Muslims and made the fight against terrorism more difficult. In fact, the extremists appear heartened when Muslim nations are attacked by the U.S. or our allies because they believe it validates their description of us as enemies of Islam. Almost any event that heightens the perception of conflict between Islam and the West works to their advantage. In part because of their use of religious motivation, they view the loss of “martyrs” as cause for celebration, not regret. Their use of suicide attacks makes them doubly dangerous. Their view of their struggle as one that could take decades and perhaps centuries makes them less likely to change course in response to short-term setbacks.

The violent extremists who embrace several beliefs that may cause them to disregard the cautions that would make rational actors hesitate to use weapons of mass destruction. These include 1) the conviction that only catastrophic violence might cause the United States to reexamine its position and direction in the world, 2) that their actions are in accordance with God’s will; and 3) that there is a historical score that needs to be settled – which can best be achieved by killing large numbers of Americans. These terrorists recognize no constraints on their violence.

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Bin Laden and al Qaeda are at the heart of this movement, having galvanized it through catastrophic terrorist acts like 9/11 and fostered and nurtured it in sanctuaries like Afghanistan. But the network extends to other terrorists groups, and the movement's support and influence is still broader, including radical Islamist intellectuals and clerics, financial contributors and other non-violent activists and self-starters who share the ideology but are not part of any network. It would be a mistake, however, to view this movement as monolithic or centrally directed. And it would be a strategic error to believe that every element of the movement must be dealt with in the same way.

The struggle against these terrorists has led to a dispersal of the movement but also an energizing of it. As a result, the global level of violence is extremely high. Given the depth of animus among many in the Muslim world, the technical capabilities at the disposal of the terrorists, the continued existence of “gray zones” in which militants can operate with impunity and the ability to organize “virtually,” this threat must be answered by a comprehensive long-term strategy.

**B. Goals:** The movement seeks a reordering of the global status quo that includes:

- Driving U.S. Armed Forces out of the Muslim world, Iraq in particular.
- Toppling "apostate" regimes in Muslim countries, whether they are nominally moderate/secular (Egypt) or view themselves as upholders of the faith (Saudi Arabia).
- Defending Muslims wherever they are thought to be oppressed or under attack.
- Restoration of a caliphate – a Muslim superstate that would erase the borders of modern states – under the extremist/salafi version of sharia law.

To achieve these goals, the movement is trying to persuade Muslims everywhere to recognize its leadership. An integral part of this effort involves winning acceptance of its perspective on the United States and the West and the inevitability of conflict between Muslims and infidels. It also seeks acceptance of its narrow, inflexible, and archaic interpretation of Muslim doctrine. Those who do not accept are typically branded apostates. Terrorist violence, though generally regarded as un-Islamic, has a vital propaganda function as a demonstration that the militants are – uniquely in the Muslim world – prepared to stand up to the global oppressor.

**C. The Stakes:** The violent extremists are not likely to be in a position to affect the territorial integrity of the United States or its key allies in Europe, most of Asia, Australia and New Zealand. Instead, the preeminent threat the movement poses is to the civilian population of our nation and those of friendly countries. If they can procure weapons of mass destruction, identify ways to use our own infrastructure against us – as they did on September 11, 2001 – or carry out an attack using conventional explosives against a facility such as a chemical plant, they could cause large numbers of casualties. The potential consequences are profound. Beyond the sheer number of dead and wounded, attacks by these terrorists could:

1. Cripple our economy. For example, a shoulder-fired missile attack on a U.S. wide body jet could lead to the grounding for a significant amount of time of commercial aviation, with incalculable follow-on costs. A radiological dispersion device detonated in Manhattan would cause pandemonium in a large population *and* render enough high-value real estate worthless instantly that the economy would be severely shaken.

Both of these kinds of attack are well within the capabilities of terrorists today. A severe shortage of fuel or extreme uncertainty in the oil market because of coordinated disruptive actions abroad is one of a limitless number of other possibilities. Even if terrorists were able to carry out a series of relatively small attacks, if in doing so they demonstrated that they could easily move dangerous materials by readily available means, they could force the imposition of security costs that would vitiate or destroy the benefits we have reaped from globalization and greatly weaken international trade. If a WMD device were smuggled into the U.S. in a shipping container, the consequences would be dire.

2. Undermine public confidence in our institutions. It would not require an apocalyptic weapon to accomplish this. A series of relatively small conventional attacks could have a major impact, causing chaos or lack of direction.

3. Precipitate international crises. In several parts of the world, militant extremists could commit acts that would have an overwhelming and irreversible effect on international affairs. For example, they might ignite a conflict between Pakistan and India that would result in a nuclear exchange, an outcome that might have been possible in the 1999 Kargil crisis. Other areas in which a catastrophic attack might force some kind of dramatic action against a Muslim population include Israel and Russia. All such developments would inevitably have a great impact on American security, its alliances and its relations with the wider world.

D. Future Threats: There is a strong possibility that the violent extremist threat will not be the last of its type. In the next two to three decades, additional challenges to our security could take a comparable form. That is, while the extremist threat may or may not wane, any other party – religious, ethnic, or national – that wishes to alter the status quo may well embrace an asymmetrical approach involving terrorist attacks and possibly the development of a WMD or cyber capability. We could face multiple, similar threats.

Rapid globalization and the growing availability of highly destructive technology mean that there is a pool of potentially violent people who no longer need armies to make their point. By effectively countering this threat, we will build useful tools for defending ourselves against other threats that may emerge.

## II. THE CONTEXT

A. Causes. The new terrorism has emerged from a welter of causes. At the broadest level, these include:

1. A rise in religious extremism that manifests itself in violence, including among Muslims. The phenomenon is fueled by radical clerics, many of whom are not true scholars of Islamic law, and who teach a stunted, vengeful and highly politicized version of the faith.
2. A sense among many Muslims that the West is conspiring against them and attacking them (in places such as Iraq, the Middle East, Kashmir, Chechnya, Aceh, the Philippines, parts of Africa and the Balkans) for the purpose of keeping them divided and subservient.
3. The impact of globalization and modernity, which are seen by some as threats to the purity of Islam, just as some see these forces as threats to Christianity and Judaism.
4. The widespread economic torpor in much of the Muslim world accompanied by demographic imbalances that have yielded enormous cohorts of young people, many of whom are poorly educated and unemployed with poor prospects for the future.
5. A backlash against the authoritarian regimes – and state-supported clergy – that predominate in the Muslim world



6. The failure of integration of Muslim diaspora populations in many Western nations, especially in Europe. Lack of economic opportunity and limited access to quality education have led to a sense of marginalization and alienation.

In the course of recent history, a number of triggering events have accelerated the spread of this terrorist ideology. The struggle in the 1980s against the Soviet occupation of Afghanistan transformed the movement from a local one in a number of countries to a global phenomenon. The attacks of 9/11 provided another strong fillip by demonstrating the willingness of the movement leadership to take bold and decisive action against the United States. Most recently, the invasion of Iraq has given a powerful impetus to this extremism. Violent extremism would not have dissipated after 9/11, but because of the American presence in Iraq, its attraction has been greatly strengthened.

The terrorists have acquired invaluable experience in such areas as urban combat, use of a wide variety of weaponry, bomb manufacturing and intelligence. They have established a durable base in Iraq, and, especially in the western part of the country, they are unlikely to be dislodged for many years. From this base, they will pose a continuing threat to the viability of the Iraqi state and will be a formidable destabilizing force for countries including Jordan, Saudi Arabia and Syria, and they may well be able to plan operations much farther afield. Weaponry and explosives from Saddam Hussein's enormous stockpiles have given the terrorists ample supplies. The threat posed by non-Iraqi militants returning to their home countries is one of the foremost concerns of Western and Muslim governments. In addition, through a shrewd media campaign, they have advertised their success against Coalition and Iraqi forces to Muslims around the world, attracting new supporters and recruits. The United States will be forced to contend with the consequences of Iraq for many years to come.

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**B. Geography/Key Theater:** The extremist movement exists in every Muslim country and in most countries where there is a significant Muslim minority. In some Arab countries, its proponents have been ruthlessly suppressed, with many driven into exile in South Asia, Europe and elsewhere. In some cases, Muslims go out to defend the faith on the frontiers of Islam in Chechnya or Bosnia and are radicalized. Similarly, conflict areas (such as Iraq, Afghanistan, or parts of Africa) serve as training grounds for terrorists, as well as sources of weapons and excuses for generating funding. In other cases, those who emigrate to Europe for economic advancement find themselves alienated and part of a marginalized minority, ripe for recruitment. There are several categories of hot spots.

1. In addition to the continuing fighting in Iraq, Afghanistan will also remain a dangerous trouble spot for the foreseeable future.
2. Other countries with significant, active radicalized populations. Pakistan and Saudi Arabia, though very different, are the two leading members in this category.

3. “Seam” areas between Muslim and non-Muslim populations. Kashmir, Chechnya (and much of the north Caucasus) and Israel/Palestinian territories (a somewhat special case).
4. Poor, weak or unstable countries with substantial Muslim populations including many in sub-Saharan Africa and central Asia.
5. The Southeast Asian Periphery. Due largely to the weakness of states combined with secessionist movements in the region, Indonesia and the South Philippines experience a great deal of terrorist activity. Southern Thailand is also emerging as an area of concern.
6. Core Arab countries such as Jordan, Syria, Egypt, Algeria and Morocco.
7. Western Europe. Radicalization of the elements of the large and growing Muslim diaspora is accelerating and the second generation is equally susceptible. The possibility of terrorism by Muslims who are citizens or otherwise resident in the United States cannot be ruled out, despite the moderate, law-abiding and patriotic nature of the vast majority of Muslim-Americans. As the Oklahoma City bombing demonstrated, it only takes a small number of people to create a major tragedy.
8. Iran is in its own category as a Shiite theocracy run by radical mullahs who have backed terrorism against Israel and the United States.

### III. THE FUNDAMENTALS OF A STRATEGY

The goal of the United States is to ensure the safety of the American people by defeating the forces of violent extremism. Our strategy must be comprehensive – aimed at 1) capturing or killing terrorists; 2) halting terrorist recruitment and discrediting extremist ideology; 3) preventing states from harboring or in any way sponsoring terrorism; and 4) protecting the homeland. It must draw upon democratic values to retain the broad-based support of the American people. It must also invigorate and make use of the traditional sources of our strength, including long-term alliances, respect for human rights and the rule of law, and international institutions within which we must play a leadership role.

A strategy to secure America requires three elements:

**Tactical Counterterrorism:** Improving the ability of the United States and its partners to identify terrorists, disrupt their operations and bring them to justice and/or ensure they cannot attack us. While the military is an essential contributor, much of the work will be done by our intelligence and law enforcement communities operating in conjunction with partners overseas. This will require a determined effort to adapt our own organizations to the 21<sup>st</sup> century. We must also ensure that relations with our overseas partners are strong and enduring and that their capacities are adequate to the challenges we face. And we must keep weapons and technologies of mass destruction

out of the hands of extremists. Lead elements in this leg of the triad are the intelligence community, law enforcement and the military.

**Strategic Counterterrorism:** To achieve the success it seeks, the extremist movement must ‘convert’ many more Muslims to its cause and enlist more recruits to carry out violent acts. The movement must also convince those who are not prepared to take part directly in the struggle to give support to those who do. Strategic counterterrorism seeks to undermine extremist ideology, to ensure, to the extent possible, that the United States is not the chief target in a struggle over the direction of the Muslim world and to ameliorate, wherever possible, the underlying conditions that feed radicalism. It must also aim to deny terrorists sanctuary, recruits, training areas and trade in revenue-generating products (such as opium and diamonds). We have seen that simply consigning this task to public diplomacy is not sufficient; public diplomacy can only succeed when it is supported by effective policies. There must be a massive coordinated effort drawing on all aspects of American power – and involving our allies – that addresses the causes of violent extremism. This broad and sustained effort is the key to our victory. We must put a halt to the global assembly line that seems to be producing more than enough terrorists to replace those who are captured or killed. Militant extremists will survive only as long as they have a favorable habitat in which to operate. Our challenge is to work with friends in the Arab and Muslim worlds to eliminate habitat favorable to violent extremism wherever it exists. Lead elements are State, AID, USTR, Commerce, Treasury and DOD.

**Homeland Security:** Protecting America’s citizens, key infrastructure, industries and vital resources from attack by terrorists. Homeland security requires that the vulnerability of attractive targets be reduced, and incident response capabilities be improved, both to save lives and increase deterrence. As much information as possible must be made available to the public. A solid public-private partnership committed to best practices and mandatory guidelines, where necessary, will be essential. Lead elements for this component must start in the White House and include DHS, HHS, the intelligence community, the law enforcement and first responder communities, the military and state and local authorities

In each of these areas, we must set priorities to address the most imminent dangers. The most pressing needs concern nuclear terrorism and improvement in our tactical capabilities. We must also do everything possible to restore international trust in American leadership and to create an alliance of global scope committed to the defeat of the terrorists who have chosen to confront us. Since 9/11, extremist groups have carried out murderous operations in Indonesia, Turkey, Saudi Arabia, Spain, Russia, Egypt, India, Morocco, the Netherlands, Kenya, Afghanistan, Iraq, Israel and the United Kingdom. Violent extremists are a threat to decent people everywhere; America should use its diplomacy to defeat the terrorist network with a network of

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our own comprised of military, intelligence, police and judicial assets on every continent to leave the terrorists with no place to train, operate, or hide. We should proceed with confidence knowing that al Qaeda has nothing real to offer its adherents other than the illusion of glory and the opportunity to blow themselves to kingdom come. We can take heart, as well, from the knowledge that terrorism is not only contrary to law but also to the most basic tenets of the Islamic faith. Our effort to build a global counterterrorist network should pay special heed to the efforts of responsible Muslim leaders, both in and outside of government, who are trying to prevent terrorist groups from hijacking and distorting their religion.

#### IV. TACTICAL COUNTERTERRORISM

Tactical counterterrorism is a combination of intelligence, law enforcement, and military force. Its activities encompass both foreign and domestic environments. It involves identifying, locating, and neutralizing terrorist groups, denying them access to the most dangerous weapons and sanctuaries, and cutting off their resources. It also includes completing the task of post-conflict reconstruction in Afghanistan and stabilizing Iraq to the greatest extent possible to prevent the resurgence of terrorist threats.

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**A. Preventing a Terrorist Attack with WMD.** Ensuring that the most dangerous weapons do not fall into the hands of terrorists is our most urgent priority. Of the most dangerous weapons, the nuclear threat can be defended against, in large part, through aggressive measures to safeguard fissile materials. This will require improvements in safeguarding against chemical and radiological attack, as well as an effort to destroy existing stocks of BW that may exist in friendly countries. The highest priority should be accorded to securing nuclear materials. Near-term initiatives should include:

- Accelerating global nuclear security programs designed to secure vulnerable weapons-usable fissile materials in the former Soviet Union and elsewhere. As part of this effort, we should press G8 partners to pay as pledged at Kananaskis and increase funding,
- Improving detection systems to prevent WMD materials from transiting the globe,
- Urging Russia to account, secure and, where possible, dismantle its tactical nuclear weapons stockpile,
- Exploring ways of increasing the scope of comprehensive threat reduction to include other states such as Pakistan,
- Strengthening global cooperation on identifying and intercepting suspected weapons shipments through the Proliferation Security Initiative, especially for seagoing vessels and aircraft, by among other things, providing a sound, legitimate framework for PSI. Building other countries' customs and border security capacity will be an essential requirement,
- Securing research reactors to prevent theft of HEU,
- Reinventing NPT so that no new enrichment/reprocessing facilities are created in new locations, existing facilities are proliferation proof, and so that diversion from state to

non-state actors is as much a concern as the diversion from civil (peaceful) to military use, and

- Containing, rolling back, and eliminating North Korean and Iranian nuclear weapons programs.

This is a challenge which we must engage vigorously and immediately with the cooperation of our friends and allies around the world.

**B. Intelligence and Law Enforcement.** The United States recognizes the unalterable enmity of these terrorists and must set itself the goal of destroying those who would attack us. In keeping with our values and the need to gain intelligence, we will seek to capture them when we can. Our priority, however, is to prevent them from harming Americans, so whenever necessary, we will use deadly force to stop them.

By its very nature, the war against the extremist movement is first and foremost a problem for intelligence, the military and enforcement. Our strategy must include:

1. Upgrading U.S. intelligence (including law enforcement intelligence) capabilities. The U.S. must adapt its collection and analysis to a constantly evolving threat. In particular, that means:

- Completion of the 9/11 intelligence reform package, including empowering the DNI to direct the Intelligence Community and ensure the enactment of stalled congressional reform,
- Strengthen and enlarge the clandestine service, particularly non-official cover (out of embassy) operations, which have historically fallen afoul of overly risk-averse managers,
- Continuous upgrade of technical intelligence collection,
- Establish a culture of information sharing between and among all levels of government, which does not currently exist,
- Better analytic tools and linguistic skills to exploit new, particularly bulk data sources, e.g., field data from the various levels of law enforcement collection, and
- Greater opportunities for exchange assignments in other agencies

To achieve the results needed to safeguard the nation, as indicated in both the 9/11 and WMD Commission reports, the USG must improve the analytic quality of Intelligence Community products. A related requirement is the improvement of the warning function of the Intelligence Community, which has failed repeatedly.

2. Improving U.S. law enforcement capabilities. The time has come to establish a separate domestic intelligence service, while preserving America's strong tradition of protecting civil liberties. Much as the Air Force was separated from the Army in 1947, the national security division of the FBI should be reconstituted as a separate agency. Information sharing and communications between the field and Washington, between agencies of the USG, and with state and local governments continues to require improvement despite recent gains. Street police officers at the state and local levels require more training and guidance to ensure that they are attuned to local and national collection needs. Our investigations of terrorist finances and procedures need better coordination. Finally, our investigation, detention, and prosecution

processes for terrorist cases need a thorough review and overhaul to ensure that we are, in fact, pursuing viable and effective strategies. The expiring provisions of the Patriot Act need to be reauthorized with amendments that focus law enforcement resources more effectively and protect civil liberties. In improving its law enforcement capabilities, the United States must uphold the rule of law and observe its responsibilities under the international torture convention. Torture is unacceptable and un-American. In light of the experience at Abu Ghraib and Guantanamo, it is also clear that American legitimacy in the war on terror has been severely undermined.

3. Building capacity in countries around the world. We must assist nations that share our values and determination to prevail in the war on terror, especially those that are on the front lines of the struggle against the violent extremist movement. The United States has acquired considerable experience through the Anti-Terrorism Assistance program and other more general law enforcement and intelligence assistance programs administered by the State Department and other federal agencies. This assistance should be significantly enlarged and better coordinated, within the U.S., with other donors and in the recipient countries, to produce like-minded and able intelligence officers, border security authorities, financial investigators, prosecutors and judges. In particular, such an effort should include:

- Common counterterrorism (CT) training for CT officials with core building blocks and essential specialized skills, e.g., money laundering,
- Direct assistance by U.S. agencies where needed, e.g., forensics,
- General training for non-CT officials to ensure on-scene law enforcement and intelligence officials are sensitive to CT issues and targets, and
- Regional dialogues and training to foster cross-border cooperation.

4. Maintaining and improving U.S. liaison relationships with other intelligence services as well as the cooperation of other countries' law enforcement authorities. In the wake of 9/11, many differences over threat perception were dispelled, and much of the success we have achieved has been due to the recognition across the U.S. government of the gravity of the threat, and the galvanizing of other governments to defend against it.

Nonetheless, intelligence sharing is a two-way street requiring our willingness to keep our friends informed to the extent possible and their willingness to share similarly without fear of disclosure. Notwithstanding our vast collection capabilities, the value added by other intelligence services can be significant, particularly with respect to targets against which U.S. penetrations are limited. Consequently, given the damage done to many of our bilateral relationships over the last four years, the requirement to maintain this solidarity and enhance cooperation will necessitate important and timely improvements in our relationships with many key foreign countries. Steps to achieve this might include:

- Senior political discussions routinely touching on intelligence and law enforcement matters,
- Regular intelligence and law enforcement discussions by intelligence and law enforcement chiefs, both separate and joint,
- Frequent mid-level exchanges, and
- Exchange officers, where possible.

**C. Military Force.** We will use military force as a critical component of our comprehensive counterterrorism strategy. The most likely contingencies will involve the use of special operations forces in ungoverned or under-governed regions where terrorist sanctuaries may exist. Our military must be prepared to undertake tactical urban operations or operations to safeguard nuclear materials. Transformation of the military to meet the challenges of the 21<sup>st</sup> century will require changing the current size, mix and training of U.S. forces, including:

- Expanding Special Operations Forces – overall size, regional mix, language and other specialized skills,
- Lightening forces for rapid deployability,
- Determining the right forces (active and reserve), equipment, and training for peace and post-conflict operations, e.g., civil affairs and military police units,
- Sizing all active and reserve forces for global needs so neither are overstretched,
- Training with and training of foreign forces, as well as cultivating long-term relationships,
- Encouraging military reviews of roles and missions, force size, deployability, and specialized skills in key allied nations and organizations, e.g., NATO,
- Elevating conflict prevention and post-conflict stabilization into core missions of our military and related civilian agencies, and
- Ensuring that benefits are generous to care for our forces and their families while they are in garrison and deployed and once they return home, to maintain required recruitment and retention rates.

The current requirements for Iraq and Afghanistan continue to hollow out our ground forces for these and other missions, and we cannot depend on their early abatement. Unless we deal with this personnel crisis in the near term, we will remain vulnerable in the face of threatening situations elsewhere, and the longer-term remedy will be even more costly.

**D. Afghanistan and Iraq.** Because of an inadequate U.S. and international commitment to Afghanistan's economic and political reconstruction, the terrorist threat is resurgent in that pivotal country. In Iraq, the terrorist threat, negligible prior to the U.S. invasion, has mushroomed as a result of it and now threatens to destabilize the entire region. The U.S. must pursue a strategy for success in both countries with the long-term objective of empowering national and local leaders to maintain security and establish viable economies in accordance with law and democracy. This will require a continuous effort to encourage the participation of other nations in roles and missions appropriate to their inclinations and capabilities.

For the future, in addition to reconfiguring our military, we must create and maintain a civilian capability to supply needed civilian skills on a surge basis for such contingencies. Full funding for the Office of the State Department Coordinator for Reconstruction and Development is a crucial first step in this regard. We also need to work with others, e.g., NATO, to create and maintain similar rapidly deployable military and civilian capabilities.

## V. STRATEGIC COUNTERTERRORISM

At the heart of a strategic program of counterterrorism is the recognition that in the hot spots where extremist ideologies are most likely to exist, the United States must do two things at once: shut the door to terror and open minds to a more balanced view of the world. We must defeat those who are unalterably committed to violence while preventing more people from being seduced by the terrorists' arguments.

American foreign policy must therefore be reshaped to reflect the fact that we are fighting an ideology that has been able to attract significant numbers of people. Thus far, by focusing heavily on those who are already working to attack us and by invading Iraq, we have done an effective job of driving many fence sitters in the Muslim world in the direction of our enemies. Reversing course will not be easy; many minds have been made up in the last three years. Yet the duration and costs of the conflict will, to a significant degree, be determined by our ability to persuade moderate Muslims that the United States supports their aspirations and hopes for a better life for them and their children, and is a power that does not seek to dominate their nations but to assist them in building democratic institutions and joining the global economy. Achieving this will reduce anti-American anger both in Muslim countries and among the Muslim diaspora as well.

We must defeat those who are unalterably committed to violence while preventing more people from being seduced by the terrorists' arguments.

- A. Encouraging Progress within the Muslim World:** The U.S. should encourage a global effort to spur the peaceful political and economic transformation of countries that are actual or potential incubators of terror. Pressing a reform agenda in the Muslim world will probably present the most difficult aspect of a counterterrorism strategy. It will require years to show much progress, and will be politically difficult to sustain domestically. Nonetheless, it is imperative that the U.S. and our allies take decisive action on this front in order to isolate the terrorists.

This action must entail:

- Helping Muslim societies to raise standards of living, improve the quality of and access to education, create jobs, secure investment and improve governance in order to reduce levels of social dissatisfaction and foster hope.
- Encouraging the creation and strengthening of democratic institutions in a manner that does not destabilize societies or merely substitute one form of despotism for another.

These requirements mean that important efforts to back civil society – which is often of limited depth in any case – are not enough. It will also require considerable global financial resources not only to boost development and alleviate poverty, but also to encourage the cooperation of resistant elites.



The U.S. should recognize that our task is not simply to appeal to those who already agree with us. We should also enter into dialogue with “moderate Islamists” where appropriate. In some areas, it would be highly advisable: in Indonesia, for example, the two largest Muslim associations in the world, the Muhammadiyah and the Nadhlatul Ulema, are firebreaks against the militants and could be valuable interlocutors. In other countries, such as Egypt, where Islamic activism of a less extreme hue has an enormous following, the U.S. must establish broader contacts and dialogue – even over the objections of the government. Islamists are more organized and popular than other groups in most Muslim nations. The U.S. should carefully cultivate relations with them to improve mutual understanding and encourage them to reject violence. At the same time, the U.S. should press Arab and other Muslim governments to give nonviolent Islamist groups who accept the democratic process the right to participate in elections and government on an equal basis.

As it approaches this challenge, the U.S. must avoid cookie-cutter approaches to large groups of countries. It may make more sense to concentrate on several pivotal states while providing more generic support for reform programs in small states. Key states that will require tailored approaches include Iraq, Pakistan, Egypt, Saudi Arabia and Indonesia.

**B. Key Emphases for Reform.** Any effort at reform must recognize two key considerations. First, demography in the Muslim world cannot be allowed to undermine reform. As long as population growth rates continue at present levels, meeting the needs of citizens and countering the lack of opportunity will remain a difficult challenge. That said, economic growth, education, and gender equality represent proven methods for reducing population pressure. Second, any reform effort must come primarily from within the Muslim world; it cannot be imposed.

1. **Economic liberalization, sustainable development, and growth.** The U.S., together with its allies, should encourage Arab and other countries with significant Muslim populations to modernize and open their economic systems. Trade agreements and financial and technical assistance to encourage foreign and domestic investment should be increased significantly. International financial institutions should be directed to increase their focus on these nations. And all donors should increase assistance to develop appropriately skilled labor forces, open economic opportunities for women, provide micro-credit, and encourage job-creating small- and medium-sized enterprises.
2. **Democratization.** The United States should support democracy in Arab and Muslim countries just as it does elsewhere around the world and for the same reasons. The question is how best to go about that delicate process. If we push too hard, we may add to the perception that we are trying to impose our will. If we fail to push hard enough, we may contribute to the view that America supports freedom for everyone except Muslims. To succeed, we must find a balance that combines a firm commitment to democratic principles and an understanding of the complexities involved. Our approach should include support for the development of civil society and an end to unjust restrictions on political participation, free speech, independent media and basic human rights and constituency building through provision of

services. We should also build upon the generational change underway in the region's leadership.

3. Education. The lack of quality education is a problem in many countries, especially those struggling with poverty and widespread social ills. Young people without education or skills may become embittered and vulnerable to the appeal of radical ideologies, including those articulated by the violent extremists. In some countries, religious schools provide an attractive alternative for poor students because of the availability of food and shelter and the lack of fees. Such schools may be used to indoctrinate students into a view of the world that is hostile to the West and supportive of violent actions to “defend Islam.” The U.S. should work with its allies and in cooperation with officials in Muslim countries to help promote and finance quality programs of public education and to ensure that instruction in religious schools does not encourage or justify terrorism. We should also explore the possibility of establishing a multinational institution, administered by scholars and representing a variety of cultures and faiths, to examine the relationship between education and ideologies leading to violence, not only in Muslim countries but elsewhere as well.
4. Ending incitement. Militant extremists have been materially aided in their efforts to win the allegiance of ordinary Muslims by the tendency of government-sanctioned media to engage in wide-scale incitement. That is, the failures of individual countries are ascribed to external conspiracies by the U.S., Israel, and the West. Historically, the U.S. has objected to this but has treated it as a secondary concern to the Middle East peace process and security issues. The U.S. must be more insistent that the practice is intolerable, making this a core part of our diplomacy and asking our Western partners to do the same.

### C. Weak States and Conflict Zones:

1. Build State Capacity: As part of our effort to deny sanctuary, recruits and resources to terrorists, the United States should work aggressively to strengthen governance and accelerate development in weak states, with initial priority given to those with significant Muslim populations, in order to prevent fragile states from being exploited by the terrorists and their sympathizers and, in the worse case, from failing. To this end, we should work with allies, the international community and regional powers to strengthen state capacity in vulnerable regions from Central to South and Southeast Asia and Africa. This will require sustained investments in building effective and legitimate state institutions, strengthening border controls, intelligence, and military and law enforcement infrastructure, as well as alleviating poverty by promoting sustained and equitable development. We should approach this effort with urgency, knowing that it is far less expensive to prevent a state from failing than it is to rescue a state whose government

It is far less expensive to prevent a state from failing than it is to rescue a state whose government has fallen apart.

has fallen apart. If and when states do fail, we should nevertheless work with our partners to restore peace and stability, and take other measures necessary for its political and economic recovery.

2. Reduce Regional Conflict: War and civil or sectarian strife in several areas of the world continue to fuel the broader extremist insurgency. Notable cases include Kashmir, Chechnya, Sudan and Nigeria. Conflicts that typically began as ethno-nationalist ones are being exploited by religious extremists to transform them into conflicts of civilization, drawing in militants from outside and creating ever more violent clashes. At present, the United States plays only a limited role in efforts to settle these conflicts. These are no longer geographically isolated issues but rather feed into the larger threat to the U.S. Consequently, the U.S. and our allies must press the parties in these conflicts to deal more effectively to resolve them. This should be done either confidentially or publicly depending on the specific circumstances.

D. The MEPP: The Arab-Israeli conflict has not historically been the primary concern of the violent extremist movement, yet the plight of the Palestinians is a major driver of anti-American sentiment among Muslims around the world. The historic commitment of the United States to achieving peace must be redoubled to prevent renewed violence and, to the extent possible, remove this chronic grievance. Intensive U.S. efforts to achieve progress and to dramatize the U.S. commitment to improving the lot of the Palestinians will help limit the appeal of the extremists. The Israeli withdrawal from Gaza and the election of Mahmoud Abbas to the presidency of the Palestinian Authority provide a real opportunity to resume negotiations for a long-term settlement.

E. The Revival and Strengthening of America's Alliances. Any long-term strategy for dealing with militant extremism will require far greater solidarity in the West than exists now – or has for some time. The revitalization of the Western community must be the goal of any U.S. government because the new terror is genuinely a global problem in need of a global solution. Unless the West achieves a high level of agreement and coordination, taking collective security actions and pressing a reform agenda in the Muslim world will fail. This effort must start with our closest allies – NATO, Japan, Australia – and must involve a reinvigoration of our relationships based on the challenges of the 21<sup>st</sup> century. Great power relations, which have been left largely without any orientation in recent years, can be greatly enhanced to improve the efficacy of the war on terror. Yet, there are potential pitfalls. For instance, confidence in Russia's institutions is being undermined by terrorist attacks on the one hand and official overreaction and power concentration on the other. Its brutal actions in the North Caucasus represent a singular impediment to closer coordination. China feels less threatened by terror, but it has viewed counterterrorism as an opportunity for closer relations with the U.S. while increasing repression on some elements in its society. The United States must set a goal of increasing cooperation with these nations to bolster their counterterrorism efforts. We must do so, however, without condoning approaches that violate our values, undermine our work to end the spiral of attacks and recriminations in such places as Chechnya, and diminish our pursuit of reducing support for violent extremism.

**F. Institutionalizing Cooperation in the War on Terror.** The United States must act to shape the environment in which terrorists operate by strengthening and institutionalizing international cooperation. Although numerous international organizations now take counterterrorism issues into consideration in their work, no single institution focuses primarily on the issue. The U.S. should back the establishment of an international organization to raise global norms of behavior by states to ensure that terrorists find it more difficult to act within any country. Such an organization should immediately be established to ensure global participation. The agenda must include:

- Achieving universal ratification and enforcement of all international counterterrorism conventions,
- Inventorying national CT capabilities regularly on a global basis,
- Undertaking a systematic effort to upgrade intelligence and law enforcement capabilities in countries in need of greater capacity; such an effort would include matching donor countries with recipients,
- Using a process of peer review like the one of the Financial Action Task Force (FATF) and 'naming and shaming'; an international organization of this kind could significantly improve national counterterrorism efforts,
- Working with FATF on multilateral initiatives and training against terrorist financing, and
- Preparing the hardest cases of state misbehavior for U.N. Security Council attention.

The creation of such an organization would have the further virtue of removing the perceived 'made in America label' from the war on terror and help reestablish America's leadership in multilateral institutions. To reinforce its effectiveness, this organization should work with regional entities in carrying out its agenda.

## VI. HOMELAND SECURITY

Today, the preeminent threat the United States faces involves terrorism by violent extremists who seek to hijack Islam for their own political purposes. Tomorrow, the ideology that animates our enemies may be different, but the threat of terror – of an "asymmetric" attack – will undoubtedly remain. America's military superiority and its ability to deter hostile states will afford it considerable, though not perfect, security for the foreseeable future. By contrast, the destructive power available to non-state actors who cannot be deterred will continue to grow due to the increasing availability of dangerous technologies, including in the realms of chemical and biological weapons, information technology, and, perhaps, nuclear weapons. These groups will pose a continuing, at times profound threat to the well-being of our nation and our allies during the 21<sup>st</sup> century. Consequently, it is imperative that we increase our ability to find and stop those who would harm us in this fashion, reduce our vulnerabilities and drastically improve our ability to respond to such incidents, both to save lives and decrease the attractiveness of these kinds of attacks to would-be conspirators. These tasks must become a permanent part of the national agenda, not just a one off to deal with the threats of the moment.

Four years after 9/11, the United States is dangerously unprepared to prevent or respond to potential threats to our homeland. Less than two months ago, Hurricane Katrina, a predicted and supposedly planned for disaster, demonstrated the yawning gap between the public's belief that its government is acting to protect it and the reality of the measures that actually have been taken.

Homeland security is first and foremost a federal responsibility, but state, local, and tribal authorities and the private sector have critical roles to play and must be more fully integrated into the effort from planning to implementation.

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The federal government owes the American people a truly integrated program with a properly organized, funded, and supported Department of Homeland Security and a domestic intelligence capability with appropriate oversight.

Because no system of protection and prevention can be perfect, we must organize ourselves around the principle of risk management.

We must develop a real strategy and set of requirements, and programs must first serve the highest priority targets in terms of vulnerability and likely casualties. Voluntary compliance, aspirational goals, under-funded initiatives, and unfunded mandates are clearly inadequate.

While funds are not limitless, homeland security almost certainly requires a 50-100 percent increase in funds, though savings can be made through greater integration of functions and by reducing or eliminating support for low value items. Funding increases require a clear cost-sharing arrangement and an improved risk-based distribution formula between national, state, and local programs, between states and regions of the country, and with the private sector.

Information regarding potential threats and prevention, mitigation, and response measures must be communicated to the public credibly and free of political calculation. It must be meaningful and provided on a continuing basis so the public has sufficient perspective, knowledge, and the time to take specific actions in response.

There must be a premium put on common guidelines, procedures, standards, and regulations. Only the federal government can mandate these in a broad enough manner to be most effective.

Advanced planning and training is critical, but is not simply a box-checking exercise. As evidenced by Hurricane Katrina, both planning and training must be rigorously undertaken and thoroughly reviewed. Federal, state, local, tribal, and private sector responses must be integrated and agreed to before an incident occurs.

There must also be a premium on innovation and technology. This will require an integrated science policy that provides guidelines and supports research and development without stifling private sector efforts.

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**A. Domestic Prevention.** The United States is living on borrowed time. Al Qaeda continues to win new converts, and we must assume there will be another attack on U.S. soil. It is possible that the group is working on two tracks – smaller attacks in other parts of the world, longer-planned, catastrophic ones in the U.S.

Three years after the creation of DHS, crucial homeland security issues remain largely neglected. The U.S. still lacks a set of priorities for domestic security. We have no real strategy, no real threat analysis, nor baseline study of capabilities, few requirements and no integrated or adequate budget to meet our long-term objectives. With the possible exception of aviation security and bio-terrorism, no sector in this area has seen significant new spending or improvements. We must proceed on the principle of defending against the most devastating potential attacks. We must do so, wherever possible, with solutions that reduce or prevent potential catastrophes, rather than simply imposing barriers against the terrorists. As a matter of urgency, the nation must work to:

#### **Weapons of Mass Destruction**

- Implement a mandatory risk-reduction strategy to reduce the vulnerability of catastrophic incidences at chemical facilities or other hazardous material sites, particularly those near population centers. For example:
  - Substitute less toxic and volatile chemicals for more deadly varieties,
  - Reduce the amount of storage at individual chemical plants and storage centers through just in time delivery, and
  - Reduce the amount of or reroute hazardous materials transported by rail or on the nation's highways.
- Track down and secure the most dangerous radiological sources that could be used to build a "dirty bomb."
- Enhance oversight of labs in which bio-weapons might be surreptitiously produced, and review the question of oversight/establishment of norms for researchers.
- Locate LNG terminals well clear of populated areas and fortify security at existing sites with mandatory standards.

#### **Transportation Sector**

- Significantly increase port security efforts giving priority to the most critical ports.
- Completely revamp passenger rail security procedures to match the threat.
- Having made considerable progress in reducing the threat of suicide hijackings, close remaining gaps in aviation security, most compellingly the challenge of unscreened air cargo.
- Increase detection systems and prevention procedures (e.g., no unaccompanied bags or boxes or vehicles) in our ports, on our rail systems and mass transit to reduce the likelihood of attacks with particular emphasis on weapons of mass destruction.

### Border Programs

- Review border security and immigration procedures, in concert with others, particularly our neighbors, to prevent terrorists and their weapons (parallel benefit against other criminals and contraband) from gaining entry. Execute immediately a single government-wide watch list. At the same time, ensure that our visa and immigration policies allow legitimate visitors to enter so that we do not damage our ability to foster pro-U.S. elites and constituencies for good relations between the U.S. and the Muslim world.
- Require credible identity documents to secure our borders and protect our critical infrastructure.

### Research and Development

- Dramatically increase research and development on key technologies that are vital to homeland security:
  - Scanning technology for shipping containers,
  - Improved detection for explosives and other WMD-related materials,
  - The elimination of known software vulnerabilities that enable hacking, and
  - Degradation of cyber-networks vital to our critical infrastructure.
- Accelerate the development of MANPADS countermeasures, produce a contingency plan for restarting commercial aviation in case of an attack, and undertake a major international program to cap and reduce uncontrolled MANPADS.

### Information Sharing and Technology

- Ensure information/intelligence sharing between federal, state, local, and tribal authorities, replacing “need to know” with “need to share.” Local authorities are more likely to detect changes and glean information in their communities, especially if supported and guided by national-level intelligence and analysis.
- Implement a national cyber security program.

### Budget Guidance

- Dramatically increase percentage of risk-based homeland security funding, i.e. key assets and critical infrastructure that violent extremists are most likely to attack. These include iconic structures, urban economic sectors, and facilities that can create cascading failures across various sectors of society.

**B. Consequence Management.** The United States must also be prepared to respond effectively, if and when terrorists are successful, to minimize the immediate impact of the attack to the extent possible and to recover as quickly as possible. Key elements include:

- Fully trained and equipped police, fire and emergency medical personnel who are prepared to handle all risks and an emergency response system with interoperable communications, alternative power sources, and cross-community agreements (with priority to highest risk targets).
- A robust public health infrastructure in line with the real threat of mass casualties, with a medical surveillance capability to quickly recognize suspicious patterns of illness and disease, an adequate national stockpile of vaccines/antibiotics/antivirals,

the means to distribute them across the country, availability of medical response teams trained to immediately address various disaster scenarios, and a robust research and development capability to produce new antidotes for new diseases (parallel benefit against non-terrorist epidemics).

- A reporting and information-sharing system that enables decision-makers to make clear post-attack damage and risk assessments.
- Post-attack crisis management coordination center to produce, consolidate, and manage public information programs that keep citizens informed of continuing risks, emergency assistance options, general government response and reconstruction efforts, individual and community assistance programs, and how citizens outside the disaster area can assist those in need. Such a program must be sufficiently robust in the early days after a disaster to ensure that distressed individuals receive timely, accurate, and clear information and service.
- Completed community consequence management plans and associated training, with the highest priority accorded to high probability threats and likely locations. Such plans must then be communicated to and understood by the public. At present our citizens in general remain grossly uninformed and inadequately prepared to react in any disciplined or coherent fashion. Like in fire drills at school and work, everyone must reasonably know what to do and when to do it. Key elements include:
  - Evacuation plans with public evacuation options and procedures that include clearly designated and communicated routes by probable destination.
  - Environmental impact management plans and teams immediately available for deployment
- A clear understanding for cities, states, and regions of who will be in charge, worked out and exercised in advance. If transfers of command are contemplated depending on the magnitude of a disaster, e.g., from local to state or local or state to federal, the conditions must also be agreed to and practiced to avoid response gaps.
- Reconstruction packages prepared in advance in parallel with consequence management plans so that the transition from consequence management to reconstruction is as expeditious as possible. In particular, plans for the rapid reconstitution of critical nodes such as health care, telecommunications, energy, and transportation will be needed as the leading edge and foundation of the overall reconstruction effort. As past terrorist attacks have focused on targets with important economic value, rapid reconstruction is an important part of denying the extremists their objectives.
- Both consequence management and reconstruction planning packages need to be backed up by programs and tentative budgets that can form the backbone for supplemental funding requests that go beyond guessing and back of the envelope calculations.
- To promote the concept of national preparedness, to the extent possible, programs such as terrorism risk insurance, federal and state economic grant programs and victim compensation procedures should be in place to facilitate rapid recovery from the negative impact on the economy and psychological damage to society.



- Finally, FEMA needs to be a separate, Cabinet-level agency. The prevention of terrorist acts is a full-time function that should constitute the core focus of the secretary of Homeland Security. The requirement precedes any terrorist attack but does not diminish once an attack occurs. Consequence management and reconstruction, on the other hand, are planning functions most of the time, but they become central national tasks demanding presidential involvement, once required. They cannot be secondary missions in a prevention agency; they deserve a separate manager with separate access to the White House and the president. In addition, budgets and priority setting for prevention and response are separate responsibilities which should be overseen by the president, not a single Cabinet officer.

